

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: TELERGY NETWORK SERVICES, INC.	DOCKET NOS. TCU-00-44 WRU-00-55-3472
--	---

**ORDER APPROVING APPLICATION, GRANTING WAIVERS, AND
APPROVING CONCURRENCE IN MAPS**

(Issued September 18, 2000)

On July 31, 2000, Telergy Network Services, Inc. (Telergy), filed an application for issuance of a certificate of public convenience and necessity, pursuant to Iowa Code § 476.29 (1999), stating its intention to provide resold and facilities-based local exchange services. The application has been identified as Docket No. TCU-00-44. Telergy requests waivers of 199 IAC 22.3(1), publishing a directory, 199 IAC 16.5, keeping its records according to the Uniform System of Accounts, and 199 IAC 18.2, keeping its records in the state of Iowa. The waivers have been identified as Docket No. WRU-00-55-3472. Telergy has provided the qualifications of its company officers and financial statements. Additionally, Telergy states that it intends to provide service in the service territories of Qwest Corporation, f/k/a U S WEST Communications, Inc. (Qwest), and adopts the local exchange maps and descriptions and any subsequent modifications to the maps of Qwest. Telergy states that it will provide full 2-PIC methodology for dialing parity.

Iowa Code § 476.29(2) provides that the local exchange carrier shall not be denied a certificate if the Utilities Board (Board) finds that the applicant "possesses the technical, financial, and managerial ability to provide the service it proposes to render and the board finds the service is consistent with public interest."

The Board has reviewed Telergy's application and finds the necessary technical, financial, and managerial ability to provide local exchange service has been demonstrated. The Board finds that it is consistent with the public interest to approve the application.

Telergy requested a waiver of 199 IAC 16.5(2), which requires it to keep its records according to the uniform system of accounts. Telergy states that it employs an accounting system in accordance with generally accepted accounting principles (GAAP). The Board finds that this waiver should be granted, since records kept in accordance with GAAP accounting are acceptable for a competitive local exchange service provider.

Telergy also requested the Board waive 199 IAC 22.3(1), requiring it to independently publish a directory. The Board will grant this waiver since Telergy does not have a sufficient number of customers to warrant publishing a directory. Telergy has stated that it will contract with the incumbent local exchange carrier to list Telergy customers in that company's directory.

The headquarters for Telergy are located in New York City, New York, and Telergy states that it requests a waiver of 199 IAC 18.2 so that it can maintain its records at its headquarters. Telergy states that it will provide the Board access to its

records within the state of Iowa upon request. The Board finds that it is reasonable for Telergy to maintain its records at its headquarters.

Telergy also states that its service area will mirror the service territory of the incumbent local exchange carrier, Qwest, and concurs in the current maps and any future modifications to those maps. Iowa Code § 476.29(4) requires that each certificate define the service territory in which land-line local telephone service will be provided and authorizes the Board to promulgate rules establishing requirements for filing maps showing the service territory. Subrule 199 IAC 22.20(3) requires that all utilities have on file with the Board maps which show exchange boundaries. The Board finds that by the adoption of the exchange service areas and the service territory maps of Qwest, Telergy has complied with the requirements of Board rules and Iowa statutes.

Telergy has not filed proposed tariffs for Board approval, but states that it will file proposed tariffs for approval before it provides service in the state of Iowa. The Board finds that a certificate should not be issued to Telergy until it has approved tariffs on file.

IT IS THEREFORE ORDERED:

1. The application for a certificate of public convenience and necessity filed by Telergy Communications, Inc., on July 31, 2000, is approved, subject to the requirement that follows.

2. At the time Telergy files proposed tariffs with the rates to be charged for service with the Board, it must give notice to all affected local exchange carriers.

Upon approval of tariffs to reflect the prices, terms, and conditions of local exchange service in Iowa offered by Telergy, the Board will issue a certificate of public convenience and necessity allowing Telergy to provide local exchange service in Iowa.

3. The request for waivers of 199 IAC 16.5(2) and 199 IAC 22.3(1) are granted as described in this order.

4. The concurrence in the local exchange maps and service territory maps of Qwest Corporation, f/n/a U S WEST Communications, Inc., is approved.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Diane Munns
Executive Secretary

Dated at Des Moines, Iowa, this 18th day of September, 2000.